

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 04 PANAMA 000810

SIPDIS

STATE FOR WHA/CEN
SOUTHCOS ALSO FOR POLAD

E.O. 12958: DECL: 04/11/2015

TAGS: [PGOV](#) [PREL](#) [ELAB](#) [PINR](#) [SOCI](#) [PM](#) [CU](#) [VE](#) [LABOR](#) [HUMAN](#) [RIGHTS](#) [POLMIL](#)
SUBJECT: PANAMA'S SUNTRACS: UNION OR POLITICAL PROTEST
MOVEMENT?

REF: A. 03 PANAMA 02416
[B](#). 03 PANAMA 02308
[C](#). 03 PANAMA 02321
[D](#). PANAMA 00628
[E](#). 04 PANAMA 02661
[F](#). 04 PANAMA 00892

Classified By: DCM CHRIS MCMULLEN FOR REASONS 1.4 (B) AND (D)

SUMMARY

1. (C) Recalling the September 2003 street violence sparked by the firing of Social Security (CSS) director Juan Jovane (reftels A, B, C), Panama is collectively holding its breath as the GOP prepares to release its proposed CSS reforms. The SUNTRACS construction union and its labor confederation CONUSI are at the center of past, present, and future CSS protest (reftels B, D). By their own self-evaluation, SUNTRACS and CONUSI aspire to revive a nationalistic, class-conscious union movement, guided by Marxist theory and rejecting "neoliberalism." SUNTRACS and CONUSI officials played down their radical, rabble-rouser reputations at recent separate discussions with PolOff. Instead, they cast themselves as pragmatic political organizers with a well-thought-out, concrete, and reasonable program of ideas on CSS reform and on the proper role of the Panamanian labor movement. SUNTRACS's advantageous collective bargaining agreement with construction firms gives it financial and political independence (especially from the ruling PRD party) that sets it apart from other labor unions in Panama. At the same time, the SUNTRACS and CONUSI leadership are ideologically attuned to Cuba and Venezuela, although rumors about Cuban and/or Venezuelan financial support are harder to pin down. SUNTRACS's penchant for violence makes it a target of widespread public criticism. End Summary.

\$6,000,000 STRIKE FUND

2. (SBU) SUNTRACS Secretary General Genaro Lopez, CONUSI Secretary General Gabriel Castillo, and Minister of Labor Reynaldo Rivera all told PolOff in recent weeks that SUNTRACS's strength comes from its advantageous collective bargaining agreement with the Panamanian Chamber of Construction (CAPAC). The agreement permits SUNTRACS (Sole National Union for Construction and Related Industry) to collect 2% of workers' wages from construction firms under the agreement. In recent years that has totaled \$500,000 annually, according to Lopez, as employers pay dues under the agreement for 5,000 SUNTRACS members. (Note: SUNTRACS has 38,000 members, some of whom are unemployed, but the collective bargaining agreement covers only 5,000 of its employed members. End Note.) As a result, Minister Rivera asserts, SUNTRACS wields a \$6 million strike fund.

OF NATIONALISM AND NEOLIBERALISM

3. (SBU) In a country that only recovered control of the Canal Zone in 1999, SUNTRACS frames its class-conscious arguments as a nationalist fight for sovereignty. Lopez told PolOff that he rejects "neoliberalism" because GOP privatization of state-owned companies has caused a loss of sovereignty (as foreign firms have entered the market as investors), a loss of jobs, and an export of profits. Privatizations, he asserted, increased prices but decreased services. (Note: In October 2004, a combination of firings, price increases, and electrical power outages helped touch off violent SUNTRACS-backed protests in Bocas del Toro. See Reftel E.)

CLASS-CONSCIOUS REVIVAL

4. (SBU) SUNTRACS's motto -- recalling the radical syndicalism of the Industrial Workers of the World (or IWW) -- is one "grand, class-conscious, combative, and revolutionary" union. A 1999 SUNTRACS publication, still posted on its website, outlines its "Class-Conscious Project of the Panamanian Union Movement." The document argues that General Omar Torrijos (President Martin Torrijos's deceased

father) destroyed class-based unionism in Panama thirty years ago by coopting the union leadership, leaving it docile, disorganized, undemocratic, and corrupt. (According to one scholar, General Torrijos brought pro-Moscow union leaders into his government who would play ball, while persecuting others.)

15. (SBU) SUNTRACS's "Class-Conscious Project" concludes with a Marxist ideological flourish stressing that the highest aspirations of the working class cannot be achieved in a capitalist society but only through "radical transformation of unjust structures in the present exploitative system and construction of a free and just society" without private property or exploitation.

CONUSI: TO STRENGTHEN THE MOVEMENT

16. (SBU) In 1998, SUNTRACS formed the labor confederation CONUSI (Confederation of Independent Labor Unions) in an attempt to return the Panamanian union movement to its class-conscious roots by:

- ending union cooptation and corruption;
- using "combative" methods (like street closures) in addition to negotiation;
- uniting with democratic, patriotic, and popular sectors against neoliberalism; and
- creating a nationalist, working-class consciousness.

17. (SBU) CONUSI has some 60,000 members from 26 unions and 4 federations and is one of eight members of Panama's principal union umbrella organization, the National Council of Organized Workers of Panama (CONATO). According to Castillo, CONUSI members include electrical engineers, canal mechanics, and communications, airline, supermarket, and banana plantation workers. SUNTRACS provides financial and technical assistance to CONUSI.

PRAGMATIC UNION ORGANIZERS?

18. (SBU) Despite the "New Left" rhetoric in SUNTRACS's and CONUSI's publications, Castillo and Lopez are hardly ideological anachronisms. They came across to PolOff as pragmatic, politically savvy organizers. Lopez described SUNTRACS as a union whose social movement lies in its influence within CONUSI. Sizing up the forces at his disposal, Lopez emphasized that SUNTRACS and CONUSI serve as political counterweights to the private sector that (he hopes) will prevent the government from backing private sector interests wholesale.

APART FROM COMMUNIST SYMPATHIES...

19. (SBU) The media has occasionally linked Lopez and SUNTRACS officials to communist and Cuban influence. In a 1998 press article, Lopez allegedly admitted to being a communist. Lopez was reluctant to characterize his ideology to PolOff, saying only that he "can't deny that he aspires to a more just society." His words echoed his August 1999 preface to the "Class-Conscious Project" where he wrote that "the important thing is that we continue fighting for the construction of a more just society, socialism."

...AND ALLEGED CUBAN TIES...

110. (SBU) In early May 2001, Panamanian media published a partially obscured photo of Lopez supposedly handing out leaflets with Cuban Embassy official Felix Luna Menderos at a protest against a GOP plan to raise bus fares. Both the Cuban Embassy and SUNTRACS denied any attempt to collude to overthrow Panama's constitutional order and Luna denied funding SUNTRACS (though Luna has never denied meeting with Lopez). The media later identified the man in the photo with Lopez as a Panamanian. SUNTRACS Secretary General Saul Mendez accused the Moscoso administration of trying to discredit SUNTRACS at the time, but also admitted to having traveled to Cuba to attend a Congress of a Cuban union on May 1, 2001. Nonetheless, many Panamanians believe that Cuba provides financial support and/or tactical advice to SUNTRACS.

INDEPENDENCE FROM PANAMANIAN POLITICAL PARTIES STANDS OUT

111. (SBU) Reacting to rumors pointing to Cuban financing (reftels B, E, F), Lopez insisted to PolOff that since 1990 (after Operation Just Cause unseated the military government that nourished it) SUNTRACS has maintained its independence from political parties, foreign governments, and

international organizations. He denounced allegations of Cuban financing as "GOP lies." Lopez acknowledged that prior to 1990 (SUNTRACS was formed in 1972), SUNTRACS received support from Panama's military regime. Lopez assumed responsibility for SUNTRACS in 1990.

112. (C) Corroborating Lopez's claims, MOJG Security Advisor Severino Mejia told PolOff that SUNTRACS is a purely domestic and internal group with no links to foreign nations or international terrorist organizations. Similarly, Labor Minister Rivera denied any foreign influence in SUNTRACS or CONUSI.

113. (SBU) Lopez contrasted SUNTRACS's financial and political independence, made possible by its collective bargaining agreement with CONATO's union confederations. He then rattled off each group's affiliation, all of which he asserted receive financing from the governing PRD party, except the Group Confederation of Workers (CGT) (Panamenista Party) and the General Worker's Central of Panama (CGTP) (Democratic Change Party). Lopez underscored the PRD's hold over the union movement, pointing out that Minister of Government and Justice Hector Aleman had been General Secretary of the government employees' umbrella organization, FENASEP. (Note: FENASEP's current Secretary General is Leandro Avila, a PRD legislator elected in May 2004).

VIOLENT TACTICS ALIENATE PANAMANIAN PUBLIC

114. (C) The Moscoso administration often accused SUNTRACS of trying to destabilize Panama, citing its pro-Cuba marches during the 2000 Ibero-American summit, its anti-bus-fare hike demonstrations in 2001, and its pro-Juan Jovane demos in 2003. The union's trademark tactics include attempting to block and occupy busy thoroughfares at the height of rush hour and prepositioning rocks, bricks, and Molotov cocktails along demonstration routes. The 2004 dustup in Bocas del Toro that ended with dozens of injured featured SUNTRACS demonstrators wielding iron bars. SUNTRACS and CONUSI both favor use of a general strike to attain their objectives, as they attempted unsuccessfully in 2001 and 2003 and are discussing for 2005.

COMMENT

115. (C) SUNTRACS is a leading member of a "rejectionist front" of unions, NGOs, and student groups that plan to stridently oppose whatever method of CSS reform that the Torrijos government offers. This group of "antis" seems to have allied informally with agricultural special interests eager to block the bilateral Free Trade Agreement. The extent of SUNTRACS coordination with those groups or with deposed CSS leader Jovane is unknown. SUNTRACS leader Lopez is an astute and effective political operator. In January 2005 SUNTRACS organized in Panama City's financial district a high-profile anti-fiscal-reform protest (non-violent, as it turned out), that won cheers from white collar financial workers, who stood to lose financially from the new fiscal reform law. That protest was a clever attempt to broaden SUNTRACS's base of support among people who ordinarily would not count themselves as members of any "working class" movement.

116. (C) Despite the disavowals, SUNTRACS is a natural ideological ally of Chavez and Castro, even though stories of Cuban financial subsidies may be tough to prove. (Note: The Cuban Ambassador departed Panama in August 2004, protesting the Moscoso government's pardon of four anti-Castro Cubans who had been jailed in an alleged plot to assassinate Fidel Castro in November 2000. While Cuba and Panama have restored consular relations, they still do not have full diplomatic relations. End Note.) Even if its multi-million-dollar strike fund means that SUNTRACS doesn't need Cuban money, its political independence, organizational skills, influence in CONUSI, and demonstrated willingness to use violence to achieve its ends all make SUNTRACS a dangerous wildcard in the current CSS debate.

WATT